

Standard Mail

Product Development

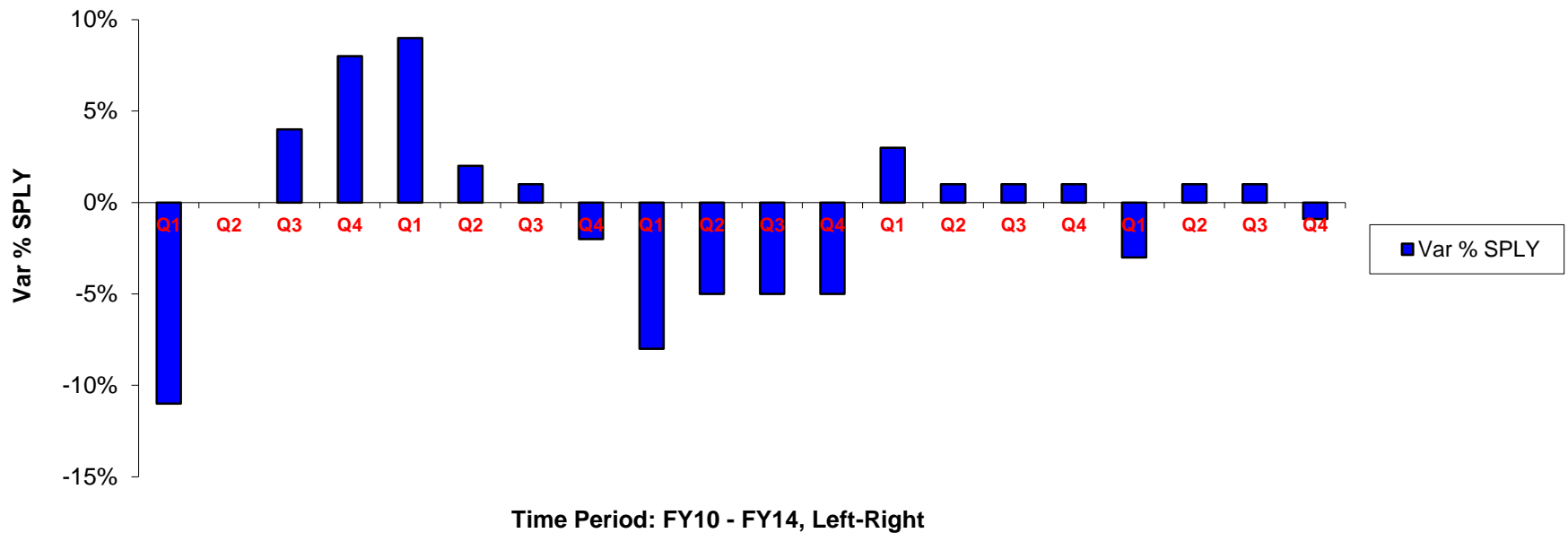
MTAC

February 18, 2015

- **Pulse of the Industry**
 - **Standard Mail Volumes and Trends**
 - **Action Items - Update**
- **2014 Promotions Update**
- **2015 Proposed Promotions**
- **Open Discussion**

Pulse of the Industry

Standard Mail Volume



Standard Mail: % Change SPLY

	<u>FY13 Q2</u>	<u>FY13 Q3</u>	<u>FY13Q4</u>	<u>FY14 Q1</u>	<u>FY14 Q2</u>	<u>FY14 Q3</u>	<u>FY14 Q4</u>
High Density and Saturation Letters	(1.1)	(2.4)	6.4	6.0	4.9	4.7	2.6
High Density and Saturation Flats and Parcels	3.3	3.8	1.3	(2.9)	0.8	0.4	0.1
Carrier Route	2.2	(3.2)	(4.9)	(15.7)	1.5	3.4	(4.7)
Flats	(5.7)	(7.5)	(8.2)	(10.8)	(8.8)	(8.3)	1.8
Letters	1.2	1.2	3.0	0.6	0.9	3.8	(8.5)
Total Standard Mail	0.7	1.0	1.2	(2.8)	0.5	0.9	(0.9)

- **Alternate Postage**
 - Information about Alternate Postage can be requested at alternatepostage@usps.gov
- **Working to provide 2015 Promotion Program Requirements to User Group #8 (UG#8) for review**
 - The Postal Service received internal and external guidance (UG#8) and will not put in place a mandatory automated pre-verification* requirement for the CY15 promotions

*Some promotions require a sample to be submitted to the Program

Office for pre-approval prior to mailing for the promotion discount. Consult the Program Requirements for additional information.

2014 Promotions Results

Promotions by the numbers...

FY 2014 Promotions (7 promotions) generated:

- **7.8B mailpieces**

- **\$1.8B in revenue**



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- **1,487 participating customers**

- **Over \$48M in discounts received by participating customers**

Proposed 2015 Promotions

Promotions Objectives

■ Mobile Technology Integration

- Build upon previous promotions and continue strategy to encourage mailers to integrate direct mail with mobile technology

■ Technology Drives Relevance

- Leverage the value of innovative direct mail techniques that are effective but less widely used

■ Leverage Value of First-Class Mail

- Promotions intended to slow the declining volume trends in transaction mail and ensure reply mail and FCM advertising remain a relevant part of the FCM mix

All promotions and dates are tentative and subject to PRC approval.

As of: 11/24/14

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

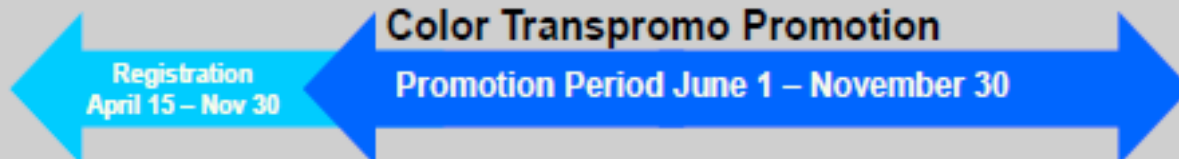
OCT – NOV - DEC

FIRST-CLASS MAIL®

Earned Value Promotion



Color Transpromo Promotion



STANDARD AND FIRST-CLASS MAIL

Emerging and Advanced Technology Promotion



STANDARD MAIL®

Mail Drives Mobile Engagement Promotion



Earned Value

Encourage FCM mailers to use Business Reply Mail (BRM) and Courtesy Reply Mail (CRM)



- **Registration Period:** March 15 – April 30
- **Program Period:** May 1 – July 31
- **Eligible Mail:** Business Reply Mail and Courtesy Reply Mail
- **Earned Value Credits:** \$0.02 per BRM or CRM pcs counted for first-time participants; \$0.03 per BRM or CRM pcs if above SPLY volumes
- Pieces must contain an Intelligent Mail barcode with the Mailer ID encoded, and following barcoding requirements
- Once released, credits may be applied to any subsequent mailing until the posted expiration date of the credits.

Earned Value Promotion – Speeding up Credit Release

■ Situation in 2014

- Promotion ended June 30
- Credits were not available for use until after August 26

■ Improvements for 2015

- New functionality in Program Registration:
 - Automated threshold calculation based on enrolled MIDs
 - Automated credit per piece adjustment for mailers meeting or exceeding their volume thresholds

Color Transpromo Promotion

Encourage FCM mailers to use color messaging on bills and statements

- **Registration Period:** April 15 – November 30
- **Program Period:** June 1 – November 30
- **Eligible Mail:** First-Class Mail commercial letters (sent in IMb full-service mailings)
- **Discount:** Upfront 2% postage discount
- Mailpiece must have dynamic color printing on the bill or statement
- Color messaging must be marketing or consumer information
 - Color inserts and pre-printed color paper stock, do not qualify
 - Color in remittance section will not qualify



Mail Drives Mobile Engagement

Encourage marketers and retailers to utilize state of the art mobile purchasing technology with direct mail to facilitate purchases.

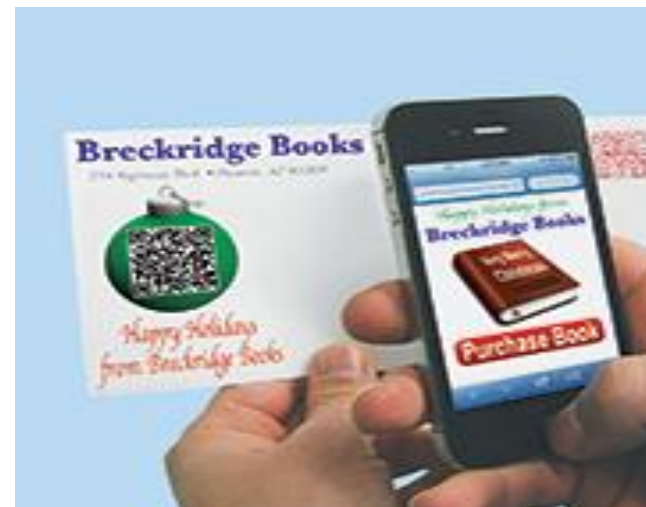
Registration Period: May15 – December 31

Promotion Period: July1 – December 31

Eligible Mail: Standard Mail, Nonprofit Standard Mail letters and flats. IMb full-service mailings for applicable products

Discount: 2% per eligible mailpiece

- No Priority Mail rebate
- Directional copy text must be prominently displayed
- In some instances, services / charitable donations may qualify if a financial transaction occurs at time of scanning the mail piece



Emerging and Advanced Technology

Encourage Direct Mailers to incorporate interactive technology to drive interest in mail as a marketing channel

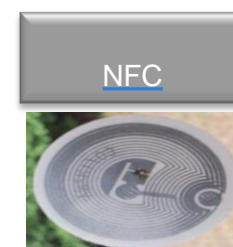
New features proposed for 2015

- **Eligible Mail:** Standard Mail, Nonprofit Standard Mail and First Class Mail letters, flats and cards.
- Mailpiece must integrate specified technologies
 - Advanced Augmented Reality
 - NFC

<http://youtu.be/suwappe3qnw> (Lexus NFC)

<http://youtu.be/vDNzTasuYEw> (IKEA AR)

- NFC/AR Demos

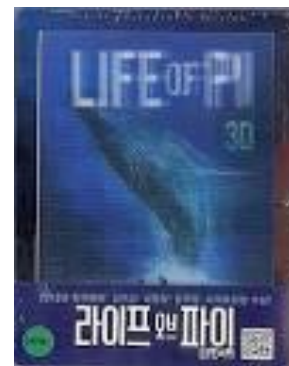


- Emerging/Advanced Technology Promotion is not limited to devices, circuits or software...
- Expanding this category to include innovative advances in papers, ink, and other interactive elements
- Case studies show significantly higher customer engagement, response rates, and even *delight* when mail pieces incorporate materials with advanced properties

Emerging and Advanced Technology New Entrants

- Advances in Paper characteristics – provide new levels of sensory engagement to help drive increased customer response

- Textural, Scented, Sound, Visual



- Interactive mailpieces

- 3-Dimensional, pop-ups, infinite folding, etc.



<http://youtu.be/ZzTRtUS66Hg> (Piggy Bank interactive)

<http://youtu.be/PJWAf0IAu70> (Exploding Map interactive)

- Advances in Inks

- Change color based on variations in temperature, pressure, exposure to liquid or light
- Conductive inks can print a “circuit” which can be used to activate other components 18 (light, sound)

- Inks may include (but are not limited to):
 - Conductive inks**: become part of a circuit and activate a device
 - Leuco Dyes**: change color with variations in temperature
 - Hydrochromics**: change color upon contact with liquid
 - Photochromics**: change color with UV light exposure
 - Optically Variable Ink**: contains metallic materials that change appearance when viewed from different angles
 - Piezochromic Ink**: change appearance under pressure

Conductive inks: become part of a circuit and activate a device

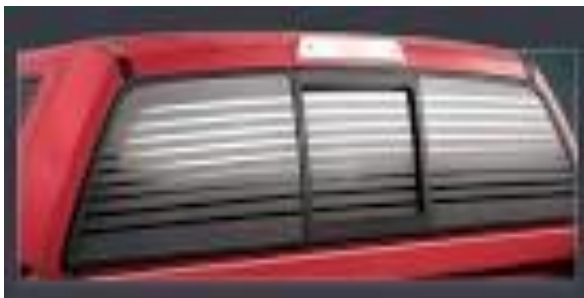


Printed conductive inks create the circuit for conductive flow



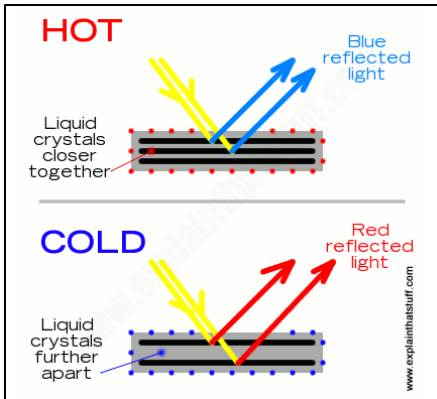
Conductive Ink Pen

- **Conductive inks contain metals, such as copper, and are printed onto paper and substrates like any other ink.**
- **Tiny, flexible batteries power the printed circuits**
- **Users press a “button” to close the circuit, and can actuate other devices, such as lights, sound chips, or other electronic sensors and components.**

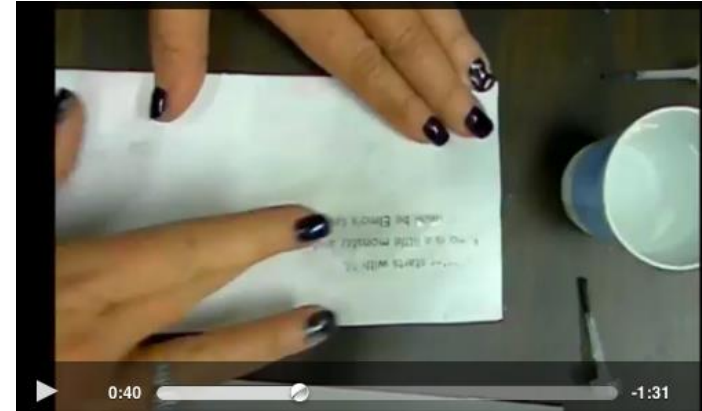


Printed circuit rear-window defrosters and antennas

Leuco Dyes: change color with variations in temperature



Hydrochromics: change color upon contact with liquid



Photochromics: change color with UV light exposure



Indoors

Outdoors

Optically Variable Ink: contains metallic materials that change appearance when viewed from different angles

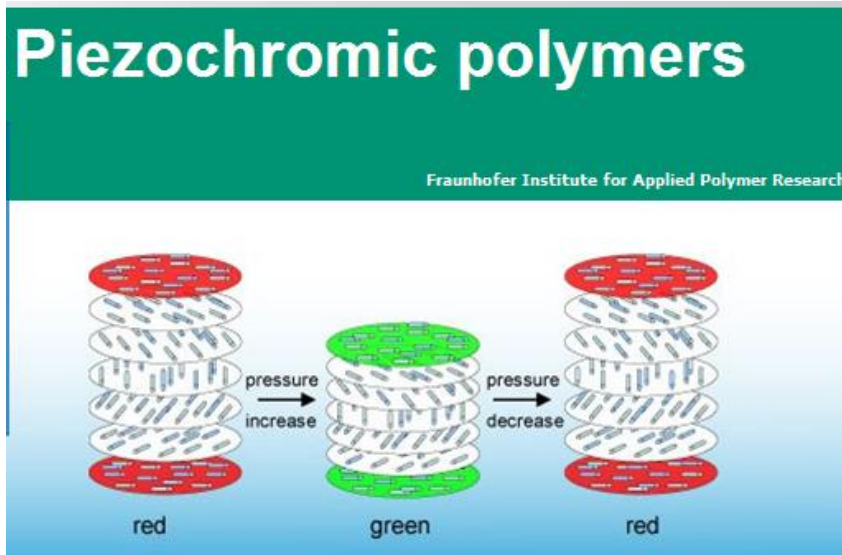


Security, anti-counterfeiting applications



No kidding, Invisible Inks

Piezochromic Ink: change appearance under pressure



- **Program Office contact:**

Email: mailingpromotions@usps.gov

Facsimile: 202-268-0238

Mail: US Postal Service
Post Office Box 23282
Washington, DC 20026-3282

- **Program Requirements & Documents**

<https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

<https://www.usps.com/business/promotions-and-incentives.htm>

- **Registration**

<https://gateway.usps.com>

- **PostalOne Help Desk:**

(800) 522-9085 or postalone@email.usps.gov

Proposals for 2016 promotions can be sent to:

MailingInnovations@usps.gov

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Open Discussion